

## Message Text

CONFIDENTIAL

PAGE 01 STOCKH 01534 01 OF 02 181604Z

ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 PM-05 L-03 CIAE-00 INR-10  
NSAE-00 AID-05 EB-08 SS-15 SSO-00 INRE-00 MCE-00  
TRSE-00 OMB-01 ACDA-12 DODE-00 SP-02 NSCE-00 /084 W  
-----059932 181628Z /50

O R 181500Z APR 78

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC IMMEDIATE 3582

INFO AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 1 OF 2 STOCKHOLM 1534

E.O. 11652: XGDS-1

TAGS: PEPR, SW, US, MASS

SUBJECT: AMBASSADOR'S CALL ON PRIME MINISTER FALLDIN RE: INDIAN  
ACQUISITION OF DPSA

1. AMBASSADOR CALLED ON PRIME MINISTER FALLDIN  
TODAY AT LATTER'S REQUEST TO RECEIVE FROM HIM A FULL DESCRIPTION  
OF THE IMPORTANCE GOS ATTACHES TO AN EARLY FAVORABLE RESPONSE  
TO THE SWEDISH REQUEST TO RE-EXPORT THE VIGGEN AIRCRAFT TO INDIA.  
ALSO PRESENT WERE MFA SECGEN LEIF LEIFLAND, THE PM'S PERSONAL  
ADVISOR GOSTA GUNNARSSON, AND MFA WAR MATERIEL EXPERT ULF  
HJERTONSSON. AMBASSADOR WAS ACCOMPANIED BY POLITICAL COUNSELOR.

2. FALLDIN MADE THE FOLLOWING POINTS:  
(A) ON MARCH 13 THE SWEDISH EMBASSY IN WASHINGTON RAISED THE  
MATTER OF US AUTHORIZATION TO RE-EXPORT TO INDIA SOME  
EQUIPMENT IN THE SWEDISH AIRCRAFT 37 VA VIGGEN ORIGINATING  
IN THE US. A SPECIFICATION OF THIS EQUIPMENT AS WELL  
AS OTHER RELEVANT INFORMATION ABOUT THE OFFER OF SAAB-  
SCANIA TO THE GOVERNMENT OF INDIA REGARDING THE PROCUREMENT  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STOCKH 01534 01 OF 02 181604Z

OF 170 AIRCRAFT HAS BEEN SUBMITTED TO THE STATE DEPARTMENT.  
(B) ON MARCH 22, THE MATTER WAS BROUGHT TO THE ATTENTION  
OF SECRETARY VANCE IN A MESSAGE FROM FM KARIN SODER.  
(C) THE GOS HAS REQUESTED A SPEEDY CONSIDERATION OF ITS  
REQUEST FOR RE-EXPORT PERMIT BECAUSE THE GOI HAS DECLARED  
THAT "IN ORDER TO TAKE A FINAL DECISION IN THE MATTER IT  
NEEDS TO KNOW WHETHER THE USG IS PREPARED TO GRANT THE

NECESSARY AUTHORIZATION TO RE-EXPORT THE US COMPONENTS CONCERNED TO INDIA."

(D) INFORMATION HAS BEEN RECEIVED THAT THE FINAL PROCESS OF CHOOSING THE AIRCRAFT TO BE ACQUIRED HAS NOW COMMENCED IN NEW DELHW. THE GOI HAS OFFICIALLY DECLARED THAT ITS CHOICE WILL BE MADE FROM THREE AIRCRAFT--VIGGEN, JAGUAR AND MIRAGE. ANOTHER FACTOR TO BE TAKEN INTO CONSIDERATION IS THE REPORTED SOVIET TENDER FOR SUPPLYING AIRCRAFT.

(E) THEREFORE, BEFORE A FINAL DECISION IS MADE IN WASHINGTON, THE GOS WISHES TO PRESENT THE FOLLOWING VIEWS IN THIS MATTER:

THE AMERICAN GOVERNMENT OFTEN POINTS OUT THE SIGNIFICANCE OF THE SWEDISH DEFENSE FOR STABILITY IN NORTHERN EUROPE AND HAS IN THIS CONTEXT STRESSED THE IMPORTANCE OF SWEDEN MAINTAINING A MODERN INDUSTRY FOR THE PRODUCTION OF WAR MATERIAL, INCLUDING COMBAT AIRCRAFT. A REFUSAL BY THE USG TO GRANT THE NECESSARY RELEASE PERMISSION WOULD NOT ONLY THWART ONE OF THE FEW EXPORT OPPORTUNITIES OFFERED TO THE SWEDISH AIRCRAFT INDUSTRY, BUT IN PRACTICE WOULD ALSO RAISE FURTHER DIFFICULTIES FOR SWEDEN TO MAINTAIN ITS PRODUCTION OF SOPHISTICATED AIRCRAFT IN THE FUTURE. AN AFFIRMATIVE DECISION AT THIS POINT IN TIME WOULD ON THE OTHER HAND GREATLY FACILITATE SWEDISH EFFORTS TO MAINTAIN AN ADVANCED AIRCRAFT INDUSTRY IN THE 80S AND BEYOND.

(F) THERE SEEMS NO DOUBT THAT AN AIRCRAFT OF THE TYPE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STOCKH 01534 01 OF 02 181604Z

IN QUESTION WILL BE INTRODUCED ON THE SUBCONTINENT. IT THEREFORE SEEMS CLEAR THAT THE OBJECTIVE OF THE USG CANNOT BE FULLYREALIZED, I.E., THE PREVENTION OF SUCH AIRCRAFT BEING INTRODUCED ON THE SUBCONTINENT. IN THIS SITUATION WE ASK OURSELVES ON THE SWEDISH SIDE IF IT IS NOT A US INTEREST TO ENABLE INDIA TO CHOOSE THE VIGGEN AND NOT ANOTHER AIRCRAFT. AS FAR AS WE CAN SEE, ONLY THE CHOICE OF VIGGEN WOULD ENTAIL SOME STRATEGIC ADVANTAGES INASMUCH AS IT WOULD STRENGTHEN SWEDISH DEFENSE CAPABILITY AND HENCE PROMOTE THE SECURITY SITUATION IN NORTHERN EUROPE.

(G) THE GOS WOULD ALSO POINT OUT THAT BY ALL INTERNATIONAL STANDARDS THE SWEDISH POLICY ON EXPORTS OF WAR MATERIAL IS EXTREMELY RESTRICTIVE. THE QUESTION OF SELLING VIGGEN AIRCRAFT TO INDIA HAS BEEN THE SUBJECT OF SCRUPULOUS STUDY BOTH BY BOTH BY THE FORMER AND THE PRESENT SWEDISH GOVERNMENTS. IT HAS BEEN FOUND THAT INDIA'S RELATIONS WITH ITS NEIGHBORS HAVE BEEN CONSTANTLY IMPROVING. THEREFORE, THE GOS CANNOT SHARE THE OPINION THAT THE SALE OF THE VIGGEN TO INDIA WOULD HAVE A DESTABILIZING EFFECT ON DEVELOPMENTS ON THE SUBCONTINENT. ADVANCED MILITARY AIRCRAFT ARE ALREADY PRESENT IN THE REGION. WELL-INFORMED OBSERVERS ALSO

AGREE THAT INDIA'S DECISION TO ACQUIRE AIRCRAFT OF THIS TYPE IS MORE AN EXPRESSION OF ITS DESIRE TO ENHANCE NATIONAL STANDING AND HAVE THE ADVANTAGE OF TECHNOLOGICAL SPIN-OFF THAN ANY AMBITION TO STEP UP ITS ATTACK CAPABILITY. CONSIDERING THAT INDIA IS ONE OF THE WORLD'S MAJOR DEMOCRACIES, AND MOREOVER, NON-ALIGNED, THE GOS FINDS INDIA'S ASPIRATIONS UNDERSTANDABLE.  
(H) THE GOS ATTACHES THE GREATEST IMPORTANCE TO THE FAVORABLE SOLUTION OF THIS MATTER BY THE US GOVERNMENT.  
END OF FALLDIN'S ORAL PRESENTATION.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 STOCKH 01534 02 OF 02 181605Z  
ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 PM-05 L-03 CIAE-00 INR-10  
NSAE-00 AID-05 EB-08 SS-15 SSO-00 INRE-00 MCE-00  
TRSE-00 OMB-01 ACDA-12 DODE-00 SP-02 NSCE-00 /084 W  
-----059970 181627Z /50

O R 181500Z APR 78  
FM AMEMBASSY STOCKHOLM  
TO SECSTATE WASHDC IMMEDIATE 3583  
INFO AMEMBASSY ISLAMABAD  
AMEMBASSY LONDON  
AMEMBASSY NEW DELHI  
AMEMBASSY PARIS  
AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 2 OF 2 STOCKHOLM 1534

3. AMBASSADOR ASSURED PM THAT HIS MESSAGE WOULD BE TRANSMITTED IMMEDIATELY TO APPROPRIATE OFFICIALS IN WASHINGTON. HE SAID THAT HE, THE EMBASSY, AND THE USG IN GENERAL WERE SYMPATHETIC TO THE POINTS MADE BY THE PRIME MINISTER, THAT DURING HIS RECENT CONSULTATIONS IN WASHINGTON IN MARCH, HE HAD RAISED THE VIGGEN CASE WITH A NUMBER OF HIGH-LEVEL USG OFFICIALS. AMBASSADOR CONTINUED THAT A MAJOR PROBLEM FOR US HERE IS THE DILEMMA BETWEEN DOING ALL WE CAN TO ASSIST SWEDEN TO MAINTAIN ITS DEFENSE CREDIBILITY AND AT THE SAME TIME TAKING A STEP WHICH, IN THE US VIEW, WOULD HEAT UP THE ARMS RACE BETWEEN INDIA AND PAKISTAN. THE AMBASSADOR RECALLED THE TURNDOWN BY THE US OF THE ISRAELI KFIR FIGHTER TO ECUADOR AND THE US REFUSAL TO PERMIT THE SALE OF AN A-U AIRCRAFT TO PAKISTAN. THE US IS SERIOUSLY ATTEMPTING TO BE CONSISTENT IN THIS AREA. THE AMBASSADOR SAID HE

HAD CHECKED WITH WASHINGTON ON APRIL 17 TO FIND OUT WHETHER THERE HAD BEEN PROGRESS IN USG CONSIDERATION OF THE SWEDISH REQUEST AND HAD BEEN TOLD THAT NO DECISION HAD BEEN REACHED. IT WAS DIFFICULT AT THIS TIME TO PREDICT  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STOCKH 01534 02 OF 02 181605Z

EXACTLY WHEN SECRETARY VANCE WOULD BE ABLE TO RESPOND TO FM SODER'S LETTER TO HIM OF MARCH 27.

4. FALLDIN SAID HE UNDERSTOOD THAT THE AMBASSADOR AND THE EMBASSY WERE NOT IN A POSITION TO PROVIDE A DEFINITIVE RESPONSE AT THIS TIME, AND HE EXPRESSED HIS PERSONAL GRATITUDE FOR THE AMBASSADOR'S INTEREST IN THE CASE. FALLDIN ADDED THAT HE WANTED TO ASSURE THE UNITED STATES OF THE SERIOUSNESS OF THE BASIC SWEDISH AIM OF REDUCING ARMS SALES AROUND THE WORLD, A POLICY WHICH THE GOS SHARES WITH PRESIDENT CARTER. FALLDIN ADDED THAT WHAT HE WAS TRYING TO SAY WAS THAT NEITHER THE US NOR THE GOS CAN INFLUENCE INDIA NOT TO BUY A DPSA AIRCRAFT. INDIA WILL ACQUIRE A DPSA AIRCRAFT. A VIGGEN SALE, UNLIKE A JAGUAR OR MIRAGE SALE, WOULD CARRY A BONUS FOR THE US, I.E., BY STRENGTHENING SWEDISH DEFENSE CAPABILITIES. FALLDIN SAID THAT SAAB UNDERSTANDS THE USSR HAS ENTERED A BID IN THE INDIAN COMPETITION, PROBABLY THE MIG-23.

5. THERE ENSUED A DISCUSSION FOCUSED ON FALLDIN'S POINT THAT THE GOI IS INSISTING THAT GOS OBTAIN USG APPROVAL FOR RE-EXPORT BEFORE INDIANS CAN MAKE A FINAL DECISION RE THE VIGGEN. AMBASSADOR SAID THIS POINT IMPORTANT BECAUSE IT ASSUMES THAT GOI AS WELL AS GOS ANXIOUS FOR EARLY USG RESPONSE. FALLDIN SAID THAT WAS CORRECT. HE ADDED THAT GOI WOULD NOT APPROACH WASHINGTON. GOI SAW SITUATION AS A TEST CASE ON "SWEDISH ABILITY TO DELIVER." ASKED WHAT THE DECISION TIMEFRAME WAS NOW, FALLDIN RESPONDED THAT GOS CONTINUES TO ASSUME APRIL 17-25 IS PERIOD WHEN POLITICAL COMMITTEE OF CABINET WILL DECIDE. THE DECISION MOST PROBABLY WILL BE KEPT SECRET WHILE A "FINAL ROUND OF NEGOTIATIONS" TOOK PLACE WITH AIRCRAFT PRODUCER CHOSEN.  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STOCKH 01534 02 OF 02 181605Z

6. COMMENT: AS WILL BE APPARENT TO DEPARTMENT, FALLDIN MENTIONED NO NEW FACTOR OR DEVELOPMENT OTHER THAN POINT THAT GOI IS WAITING ON USG APPROVAL OF RE-EXPORT BEFORE FINAL CONSIDERATION OF VIGGEN IN COMPETITION CAN BE MADE.

KENNEDY-MINOTT

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRIME MINISTER, ACQUISITION, FIGHTER AIRCRAFT, DIPLOMATIC DISCUSSIONS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STOCKH01534  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X1  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780166-0015  
**Format:** TEL  
**From:** STOCKHOLM  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780443/aaaabkcb.tel  
**Line Count:** 225  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 8aa08bab-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 13 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2926866  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AMBASSADOR'S CALL ON PRIME MINISTER FALLDIN RE: INDIAN ACQUISITION OF DPSA  
**TAGS:** PEPR, MASS, SW, US, (FALLDIN, THORBJORN), (KENNEDY-MINOTT, RODNEY O'GLIASAIN)  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/8aa08bab-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014